Senate File 2054 - Introduced

SENATE FILE 2054

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A BILL FOR

- 1 An Act relating to consumer protection modifying provisions
- 2 applicable to consumer security freezes and including
- 3 effective date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S.F. 2054

- 1 Section 1. Section 714G.2, Code 2018, is amended to read as 2 follows:
- 3 714G.2 Security freeze.
- 4 l. A consumer may submit by certified mail to a consumer
- 5 reporting agency a written request for a security freeze to
- 6 a consumer reporting agency by first-class mail, telephone,
- 7 facsimile, secure internet connection, secure electronic mail,
- 8 or other secure electronic contact method. The consumer must
- 9 submit proper identification and the applicable fee with the
- 10 request. Within five three business days after receiving
- 11 the request, the consumer reporting agency shall commence
- 12 the security freeze. Within ten three business days after
- 13 commencing the security freeze, the consumer reporting agency
- 14 shall send a written confirmation to the consumer of the
- 15 security freeze, a personal identification number or password,
- 16 other than the consumer's social security number, for the
- 17 consumer to use in authorizing the suspension or removal of
- 18 the security freeze, including information on how the security
- 19 freeze may be temporarily suspended.
- 2. a. If a consumer requests a security freeze from a
- 21 consumer reporting agency that compiles and maintains files
- 22 on a nationwide basis, the consumer may request to have the
- 23 security freeze applied to any other consumer reporting agency
- 24 that compiles and maintains files on consumers on a nationwide
- 25 basis.
- 26 b. For purposes of this subsection, "consumer reporting
- 27 agency that compiles and maintains files on a nationwide basis"
- 28 means the same as defined in 15 U.S.C. §1681a(p).
- Sec. 2. Section 714G.3, subsection 1, Code 2018, is amended
- 30 to read as follows:
- 31 1. A consumer may request that a security freeze be
- 32 temporarily suspended to allow the consumer reporting agency to
- 33 release the consumer credit report for a specific time period.
- 34 The consumer reporting agency may shall develop procedures
- 35 to expedite the receipt and processing of requests which may

- 1 involve the use of telephones by first-class mail, telephone,
- 2 facsimile transmissions, the secure internet connection, secure
- 3 electronic mail, or other secure electronic media contact
- 4 method. The consumer reporting agency shall comply with
- 5 the request within three business days after receiving the
- 6 consumer's written request, or within fifteen minutes after
- 7 the consumer's request is received by the consumer reporting
- 8 agency through facsimile, the secure internet connection,
- 9 secure electronic mail, or other secure electronic contact
- 10 method chosen by the consumer reporting agency, or the use of
- 11 a telephone, during normal business hours. The consumer's
- 12 request shall include all of the following:
- 13 a. Proper identification.
- 14 b. The personal identification number or password provided
- 15 by the consumer reporting agency.
- 16 c. Explicit instructions of the specific time period
- 17 designated for suspension of the security freeze.
- 18 d. Payment of the applicable fee.
- 19 Sec. 3. Section 714G.4, unnumbered paragraph 1, Code 2018,
- 20 is amended to read as follows:
- 21 A security freeze remains in effect until the consumer
- 22 requests that the security freeze be removed. A consumer
- 23 reporting agency shall remove a security freeze within three
- 24 business days after receiving a request for removal that
- 25 includes proper identification of the consumer, and the
- 26 personal identification number or password provided by the
- 27 consumer reporting agency, and payment of the applicable fee.
- 28 Sec. 4. Section 714G.5, Code 2018, is amended to read as
- 29 follows:
- 30 714G.5 Fees prohibited.
- 31 1. A consumer reporting agency shall not charge any fee to
- 32 a consumer who is the victim of identity theft for commencing
- 33 a security freeze, temporary suspension, or removal if with
- 34 the initial security freeze request, the consumer submits a
- 35 valid copy of the police report concerning the unlawful use of

- 1 identification information by another person.
- A consumer reporting agency may charge a fee not to
- 3 exceed ten dollars to a consumer who is not the victim of
- 4 identity theft for each security freeze, removal, or for
- 5 reissuing a personal identification number or password if the
- 6 consumer fails to retain the original number. The consumer
- 7 reporting agency may charge a fee not to exceed twelve dollars
- 8 for each temporary suspension of a security freeze.
- 9 A consumer reporting agency shall not charge a fee to a
- 10 consumer for providing any service pursuant to this chapter,
- 11 including but not limited to placing, removing, temporarily
- 12 suspending, or reinstating a security freeze.
- 13 Sec. 5. Section 714G.8A, subsection 1, paragraph d, Code
- 14 2018, is amended by striking the paragraph.
- 15 Sec. 6. Section 714G.8A, subsection 3, paragraph d, Code
- 16 2018, is amended by striking the paragraph.
- 17 Sec. 7. Section 714G.8A, subsection 5, Code 2018, is amended
- 18 to read as follows:
- 19 5. a. A consumer reporting agency may shall not charge
- 20 a reasonable fee, not to exceed five dollars, for each the
- 21 placement, or reinstatement of a protected consumer
- 22 security freeze. A consumer reporting agency may not charge
- 23 any other fee for a service performed pursuant to this section.
- 24 b. Notwithstanding paragraph "a", a fee may not be charged
- 25 by a consumer reporting agency pursuant to either of the
- 26 following:
- 27 (1) If the protected consumer's representative has obtained
- 28 a police report or affidavit of alleged identity theft under
- 29 section 715A.8 and submits a copy of the report or affidavit to
- 30 the consumer reporting agency.
- 31 (2) A request for the commencement or removal of a protected
- 32 consumer security freeze is for a protected consumer who is
- 33 under the age of sixteen years at the time of the request and
- 34 the consumer reporting agency has a consumer credit report
- 35 pertaining to the protected consumer.

S.F. 2054

- 1 Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate
- 2 importance, takes effect upon enactment.
- 3 EXPLANATION
- 4 The inclusion of this explanation does not constitute agreement with
- 5 the explanation's substance by the members of the general assembly.
- 6 This bill relates to consumer security freezes.
- 7 Current law permits a consumer to submit a request for a
- 8 security freeze via certified mail. The bill expands the
- 9 methods permitted for a consumer to submit a request for
- 10 a security freeze to allow such requests to be submitted
- 11 via first-class mail, telephone, facsimile, secure internet
- 12 connection, secure electronic mail, or other secure electronic
- 13 contact method.
- 14 The bill reduces the number of days by which a consumer
- 15 reporting agency must commence a security freeze after
- 16 receiving a request from five to three business days. The bill
- 17 also reduces the number of days by which a consumer reporting
- 18 agency must send written confirmation to a consumer after
- 19 commencing a security freeze from ten to three business days.
- 20 The bill provides that if a consumer requests a security
- 21 freeze from a consumer reporting agency that compiles and
- 22 maintains files on a nationwide basis, as defined in the bill,
- 23 the consumer may request to have the security freeze applied to
- 24 any other similar consumer reporting agency.
- 25 The bill requires consumer reporting agencies to develop
- 26 procedures to expedite the receipt and processing of security
- 27 freeze suspension requests received via the same methods
- 28 permitted for consumers to submit such requests. The bill
- 29 requires a consumer reporting agency to commence a security
- 30 freeze suspension within 15 minutes after receiving a request
- 31 through telephone, facsimile, secure internet connection,
- 32 secure electronic mail, or other secure electronic contact
- 33 method.
- 34 The bill prohibits consumer reporting agencies from charging
- 35 fees to consumers for providing any service pursuant to Code

S.F. 2054

- 1 chapter 714G, including but not limited to placing, removing,
- 2 temporarily suspending, or reinstating a security freeze. The
- 3 bill also prohibits consumer reporting agencies from charging
- 4 fees for placing or removing a protected consumer security
- 5 freeze pursuant to Code section 714G.8A. The bill removes
- 6 several references to payment of fees in Code chapter 714G.
- 7 The bill takes effect upon enactment.